



# BANCO CENTRAL DO BRASIL

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## RESOLUTION 4,958 OF OCTOBER 21, 2021

Provides for the minimum requirements of Regulatory Capital (PR), of Tier I and of Principal Capital, and for the Additional Principal Capital (ACP).

The Central Bank of Brazil, pursuant to art. 9 of Law 4,595 of December 31, 1964, hereby announces that the National Monetary Council, in a meeting held on October 21, 2021, based on art. 4, items VIII and XI of said Law, on art. 20, paragraph 1, of Law 4,864 of November 29, 1965, on Law 6,099 of September 12, 1974, and on arts. 1 and 12 of Complementary Law 130 of April 17, 2009,

### R E S O L V E D :

#### CHAPTER I PURPOSE AND SCOPE OF APPLICATION

Art. 1. This resolution establishes the minimum requirements of Regulatory Capital (*Patrimônio de Referência – PR*), Tier I and of Principal Capital, and of Additional Principal Capital (ACP), which applies to financial institutions and other institutions licensed by the Central Bank of Brazil.

Sole paragraph. The provisions established in the heading do not apply to:

I - Consortium managers and payment institutions, which are subject to regulation issued by the Central Bank of Brazil, in the exercise of its regulatory competence; and

II - Institutions allocated to Segment 5 (S5) in the terms of Resolution 4,553 of January 30, 2017.

#### CHAPTER II GENERAL PROVISIONS

Art. 2. The institutions mentioned in art. 1 must permanently allocate PR, Tier I and Principal Capital in amounts exceeding the minimum requirements set out in this Resolution.

Sole paragraph. The minimum requirements mentioned in the heading, must be appraised in a consolidated basis for institutions in a same prudential conglomerate, as defined in the



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Accounting Plan for Financial Institutions (COSIF).

## CHAPTER III DETERMINATION OF THE VALUE OF RISK-WEIGHTED ASSETS

Art. 3. For the purposes of calculating the minimum requirements and ACP mentioned respectively in arts. 4 to 6 and 8, the amount of risk-weighted assets (RWA) must be appraised, corresponding to the sum of the following components:

I -  $RWA_{CPAD}$ , relative to credit risk exposures subject to the calculation of capital requirement under the standardized approach;

II -  $RWA_{CIRB}$ , relative to credit risk exposures subject to the calculation of capital requirement under the internal rating systems for credit risk (IRB approaches) approved by the Central Bank of Brazil;

III -  $RWA_{MPAD}$ , relative to market risk exposures subject to the calculation of capital requirement under the standardized approach;

IV -  $RWA_{MINT}$ , relative to market risk exposures subject to the calculation of capital requirement under an internal model approved by the Central Bank of Brazil;

V -  $RWA_{OPAD}$ , relative to the calculation of required capital for operational risk under the standardized approach.

Paragraph 1. The component  $RWA_{MPAD}$  mentioned in item III of the heading is the sum of the following elements:

I -  $RWA_{JUR1}$ , relative to exposures subject to a variation in fixed interest rates denominated in real, for which capital requirement is calculated using the standardized approach;

II -  $RWA_{JUR2}$ , relative to exposures subject to rate variations in foreign currency coupons, for which capital requirement is calculated using the standardized approach;

III -  $RWA_{JUR3}$ , relative to exposures subject to rate variations in price indices coupons, for which capital requirement is calculated using the standardized approach;

IV -  $RWA_{JUR4}$ , relative to exposures subject to rate variations in interest rates coupons, for which capital requirement is calculated using the standardized approach;

V -  $RWA_{ACS}$ , relative to exposures subject to variations in the price of shares, for which capital requirement is calculated using the standardized approach;

VI -  $RWA_{COM}$ , relative to exposures subject to variations in the prices of commodities, for which capital requirement is calculated using the standardized approach; and

VII -  $RWA_{CAM}$ , relative to exposures to gold, to foreign currency and to assets subject to variations in foreign exchange rates, for which capital requirement is calculated using the standardized approach; and

VIII -  $RWA_{DRC}$ , relative to exposures to credit risk of instruments in the trading book.



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Paragraph 2. The procedures and parameters for calculation of components mentioned in the heading and in paragraph 1 will be established by the Central Bank of Brazil.

### CHAPTER IV

#### MINIMUM REQUIREMENT OF REGULATORY CAPITAL, TIER 1 AND PRINCIPAL CAPITAL

Art. 4. The minimum requirement for PR corresponds to the application of a factor "F" equal to 8% (eight percent) to the RWA amount.

Art. 5. The minimum requirement for Tier I corresponds to the application of a 6% (six percent) to the RWA amount.

Art. 6. The minimum requirement for Principal Capital corresponds to the application of a 4.5% (four point five percent) factor to the RWA amount.

### CHAPTER V

#### MINIMUM REQUIREMENTS FOR CREDIT UNIONS

Art. 7. For individual credit unions not affiliated with a central credit union that do not opt to calculate the simplified risk weight assets ( $RWA_{S5}$ ), in terms of specific regulation, the minimum requirements of PR, of Level I and of Principal Capital mentioned in articles. 4, 5 and 6 of this Resolution shall be increased by four percentage points.

### CHAPTER VI

#### ADDITIONAL PRINCIPAL CAPITAL ASSIGNMENT

Art. 8. The Additional Principal Capital (ACP) corresponds as the sum of the following elements:

I -  $ACP_{\text{Conservação}}$ , which corresponds to the Conservation Additional Principal Capital;

II -  $ACP_{\text{Contracíclico}}$ , which corresponds to the Countercyclical Additional Principal Capital; and

III -  $ACP_{\text{Sistêmico}}$ , which corresponds to the Additional Principal Capital of Systemic Importance, as set forth in paragraph 2.

Paragraph 1. The  $ACP_{\text{Conservação}}$  and the  $ACP_{\text{Contracíclico}}$  elements apply to the institutions mentioned in article 1.

Paragraph 2. The  $ACP_{\text{Sistêmico}}$  element applies to institutions allocated to Segment 1 (S1) in the terms of Resolution 4,553 of 2017.

Paragraph 3. For institutions pertaining to a prudential conglomerate in accordance with the COSIF rules, the ACP must be calculated on a consolidated basis.

Paragraph 4. The  $ACP_{\text{Conservação}}$  element corresponds to the application of the following



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factors to the RWA:

I - 2% (two percent), from October 1<sup>st</sup>, 2021, to March 31, 2022; and

II - 2.5% (two percent and five tenths of one percent), from April 1<sup>st</sup>, 2022, onwards.

Paragraph 5. The Central Bank of Brazil will set the methodology to calculate the  $ACP_{\text{Contracíclico}}$  element and its factor to be applied to the RWA amount.

Paragraph 6. The maximum value of the  $ACP_{\text{Contracíclico}}$  element is limited to 2.5% (two percent and five tenths of one percent) to the RWA amount.

Paragraph 7. In case of an increase in the value of the  $ACP_{\text{Contracíclico}}$  element, the new value will come into effect after 12 (twelve) months.

Paragraph 8. The Central Bank of Brazil will set the methodology to calculate the  $ACP_{\text{Sistêmico}}$  element and its factor to be applied to the RWA amount.

Paragraph 9. The maximum value of the  $ACP_{\text{Sistêmico}}$  element is limited to 2.0% (two percent) to the RWA amount.

Art. 9. A shortfall in meeting the assigned ACP, as set forth in article 8, entails restrictions:

I - in payment of discretionary compensation to management and members of the board of directors, in the case of joint stock companies, and to administrators of non-joint stock companies;

II - in payment of dividends and interest on capital;

III - in payment of the net surplus and annual earnings to quotas of capital, as well as in redemption of quotas, in the case of credit unions;

IV - in repurchase of own shares in any amount; and

V - in reduction of equity when legally possible.

Paragraph 1. The restrictions set forth in the heading must be imposed for as long as a shortfall in meeting the assigned ACP is verified.

Paragraph 2. The discretionary compensation mentioned in item I of the heading includes bonds, profit sharing and any installments of deferred payments and other compensation incentives linked to performance.

Paragraph 3. In case of surplus of Principal Capital relative to the minimum requirement established in art. 6 is used to meet the minimum requirements established in arts. 4 or 5, such surplus cannot be used to meet the ACP assignment.

Paragraph 4. The restrictions mentioned in items I to III of the heading correspond to the following percentages of the amount to be paid:

I - 100% (one hundred percent), should the value considered to verify the fulfillment of the ACP assignment be less than 25% (twenty five percent) of the amount fixed according to art. 8;



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II - 80% (eighty percent), should the value considered to verify the fulfillment of the ACP assignment be greater than or equal to 25% (twenty five percent) and less than 50% (fifty percent) of the amount fixed according to art. 8;

III - 60% (sixty percent), should the value considered to verify the fulfillment of the ACP assignment be greater than or equal to 50% (fifty percent) and less than 75% (seventy five percent) of the amount fixed according to art. 8; and

IV - 40% (forty percent) should the value considered to verify the fulfillment of the ACP assignment be greater than or equal to 75% (seventy five percent) and less than 100% (one hundred percent) of the amount fixed according to art. 8.

Paragraph 5. The surplus distributed and not paid in the fiscal year due to a shortfall in meeting the assigned ACP will be incorporated into the reserves of the credit union or, alternatively, its capital, if so decided by the shareholders.

Paragraph 6. Amounts withheld due to a shortfall in meeting the assigned ACP cannot constitute a future liability.

Paragraph 7. The restrictions mentioned in the heading apply to a shortfall identified when calculating the amount to be distributed, including values paid in advance.

Paragraph 8. The Central Bank of Brazil may fix a maximum individualized interval during which a shortfall in meeting the assigned ACP is admissible.

Paragraph 9. Once a shortfall in meeting the assigned ACP is verified, the capital plan as established by specific regulation must be amended to include the actions necessary to correct the shortfall until the end of the interval fixed in terms of paragraph 8

### CHAPTER VII

#### DEDUCTION OF EXCESSIVE FIXED ASSETS AND EARMARKED CAPITAL

Art. 10. For the purposes of verifying compliance with the minimum requirements established in arts. 4, 5 and 6, as well as with the ACP assignment mentioned in art. 8, any amount invested in fixed assets in excess of the minimum percentages established in Resolution CMN 4,957 of October 21, 2021, must be deducted from PR, from Tier I and from Principal Capital.

Art. 11. The institution that opts to earmark a portion of PR according to the provisions set forth in art. 2 of Resolution CMN 4,589 of June 29, 2017, must deduct the corresponding amount from PR, from Tier I and from Principal Capital for the purposes of verifying compliance with the minimum requirements established in arts. 4, 5 and 6, as well as the ACP assignment mentioned in art. 8.

### CHAPTER VIII

#### FINAL PROVISIONS

Art. 12. The institutions mentioned in art. 1 must allocate enough PR to also cover the interest rate risk in the banking book (IRRBB), in accordance with Resolution 4,557, of February 23, 2017.



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Art. 13. The Central Bank of Brazil will set requisites and procedures related to the authorization for the use of selected standardized approaches to calculate the  $RWA_{OPAD}$  component by financial institutions and other institutions licensed by the Central Bank of Brazil.

Art. 14. The following provisions are revoked:

I - art. 1 of Resolution CMN 4,704 of December 19, 2018;

II - Resolution CMN 4,193 of March 1<sup>st</sup>, 2013;

III - Resolution CMN 4,281 of October 31, 2013;

IV - Resolution CMN 4,388 of December 18, 2014; (refer to Resolution CMN 4,956 of October 18, 2021);

V - Resolution CMN 4,443 of October 29, 2015; and

VI - Resolution CMN 4,783 of March 16, 2020.

Sole paragraph. All citations to Resolution CMN 4,193 of 2013 refer to this Resolution.

Art. 15. This Resolution enters into force on January 3, 2021.

Roberto de Oliveira Campos Neto  
Governor of the Central Bank of Brazil